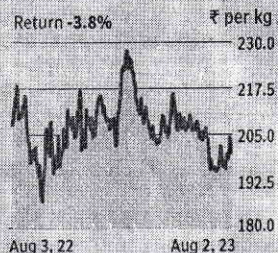


COMMODITY CALL.

Buy aluminium after it breaks out of resistance at ₹205



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Aluminium futures on the Multi Commodity Exchange (MCX), which has been in a downtrend since February, is attempting to overturn the bearish trend - the contract has been forming higher lows and higher highs since early July and it has now moved above falling trendline resistance.

Besides, the RSI and the MACD on the daily chart are in the bullish zone.

While the above factors hint at the potential for more upside in aluminium futures, there is a resistance at ₹205, which is a trend defining level.

Currently, the August futures of aluminium is trading at ₹200.

If the barrier at ₹205 is breached, we can expect a quick upswing to ₹212, a resistance.

A subsequent hurdle is at ₹215. But if the contract falls below the support at ₹196, aluminium futures could slip further to ₹192 or ₹186 which are the support levels.

TRADE STRATEGY

While there are bullish signs, we suggest traders wait for now and buy aluminium futures after it breaks out of the resistance at ₹205.

Target and stop-loss can be at ₹212 and ₹202.